IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

INCOME TAX REFERENCE No 62 of 1988

For Approval and Signature:

Hon'ble MR.JUSTICE M.S.SHAH
and
Hon'ble MR.JUSTICE D.A.MEHTA

==========

1. Whether Reporters of Local Papers may be allowed to see the judgements? : NO

2. To be referred to the Reporter or not? : NO

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO

5. Whether it is to be circulated to the Civil Judge? : NO

GUJARAT STATE PETROCHEMICALS CORPN. LTD.

Versus

COMMISSIONER OF INCOME TAX

Appearance:

1. INCOME TAX REFERENCE No. 62 of 1988
MR JP SHAH for Petitioner No. 1
MR MANISH R BHATT for Respondent No. 1

CORAM : MR.JUSTICE M.S.SHAH
and
MR.JUSTICE D.A.MEHTA

Date of decision: 20/09/2001

ORAL JUDGEMENT

(Per : MR.JUSTICE M.S.SHAH)

In this reference at the instance of the assessee, the following question is referred for the

opinion of this Court in respect of assessment year 1983-84 :-

"Whether on the facts and in the circumstances of the case, the Tribunal was right in law in holding that the interest of Rs.1,84,703/- earned by the assessee during pre-production stage is not receipt on capital account and is taxable as income under other sources ?"

2. We have heard Mr JP Shah, learned counsel for the assessee and Mr MR Bhatt, learned counsel for the revenue.

3. The learned counsel for the parties point out that the controversy raised herein is concluded in favour of the revenue by the decision of the Supreme Court in Tuticorin Alkali Chemicals and Fertilizers Ltd. vs. CIT, (1997) 227 ITR 172.

4. Having gone through the aforesaid decision, we are of the view that the Tribunal was right in holding that the interest earned by the assessee during pre-production stage was taxable as income under other sources. Accordingly our answer to the question is in the affirmative i.e. in favour of the revenue and against the assessee.

The reference accordingly stands disposed of with no order as to costs.

(M.S. Shah, J.)

(D.A. Mehta, J.)

sundar/-